

CITY OF MINNEAPOLIS

# Overview of Mayor's 2016 Recommended Budget and Levy

Presented to Board of Estimate and Taxation  
by the Finance and Property Services  
Department

CITY OF MINNEAPOLIS

# 2016 Recommended Budget Financial Overview

# Mayor's Recommended 2016 Budget

## Financial Overview

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- **\$1.224 Billion Budget**
  - Includes inflationary and mandated cost increases of \$17.5 million
  - Spending level increases by \$31.8 million, or 2.7%, from 2015 Adopted Budget across all funds
  - Increases property tax levy by 3.4%
  - Captures growth in non-tax revenue
  - “Rightsizes” expenditure and revenue budgets
  - Program enhancements of \$6.3 million (total \$15.8 million requested) and \$24.1 million in one-time items (total \$38.9 million requested)
  - Increase of 35.25 positions from 2015 level – total of 3,960.65 FTEs for 2016

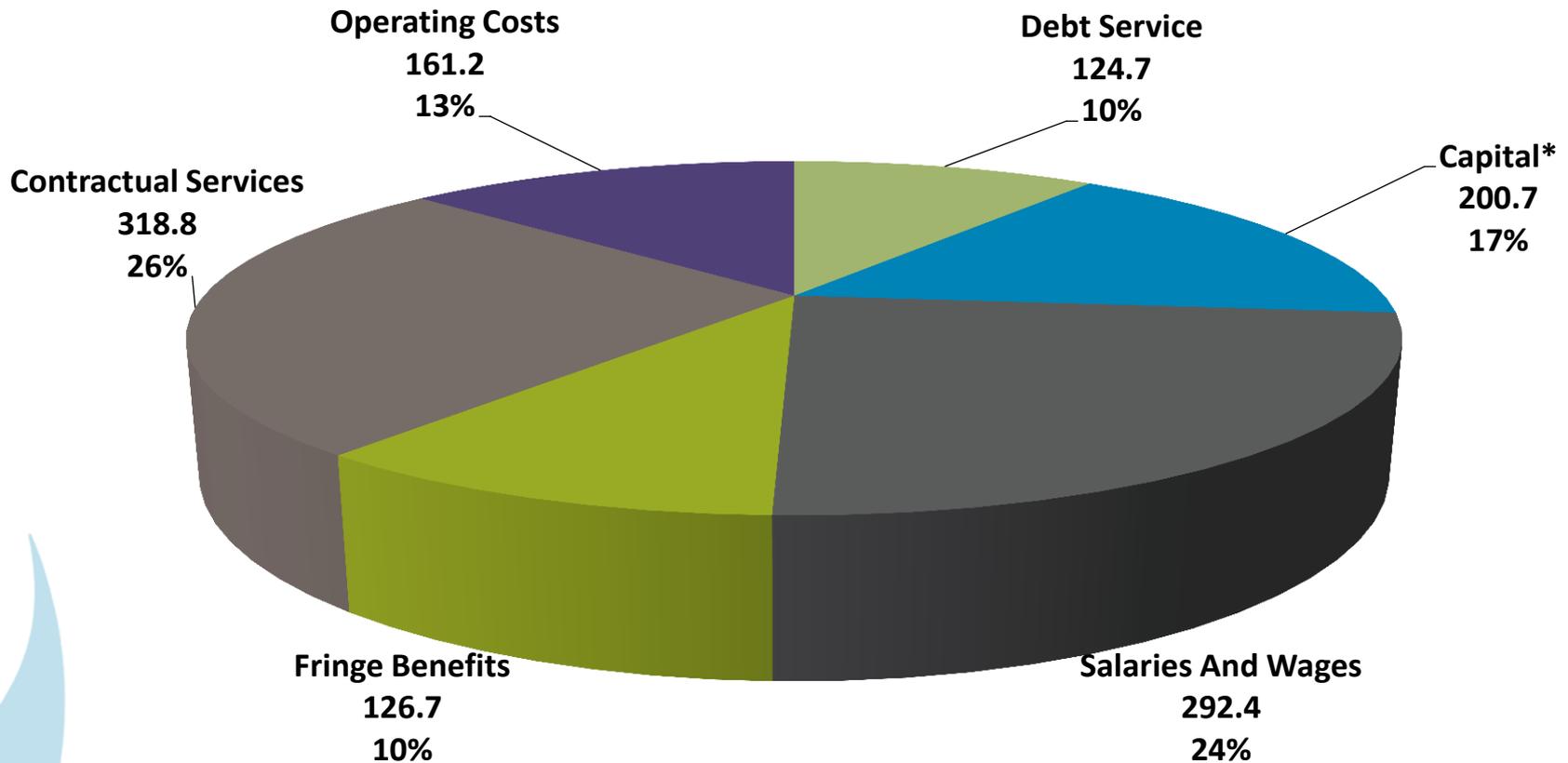
# Mayor's Recommended 2016 Budget

## Expenditures by Major Type

### \$1.224 Billion

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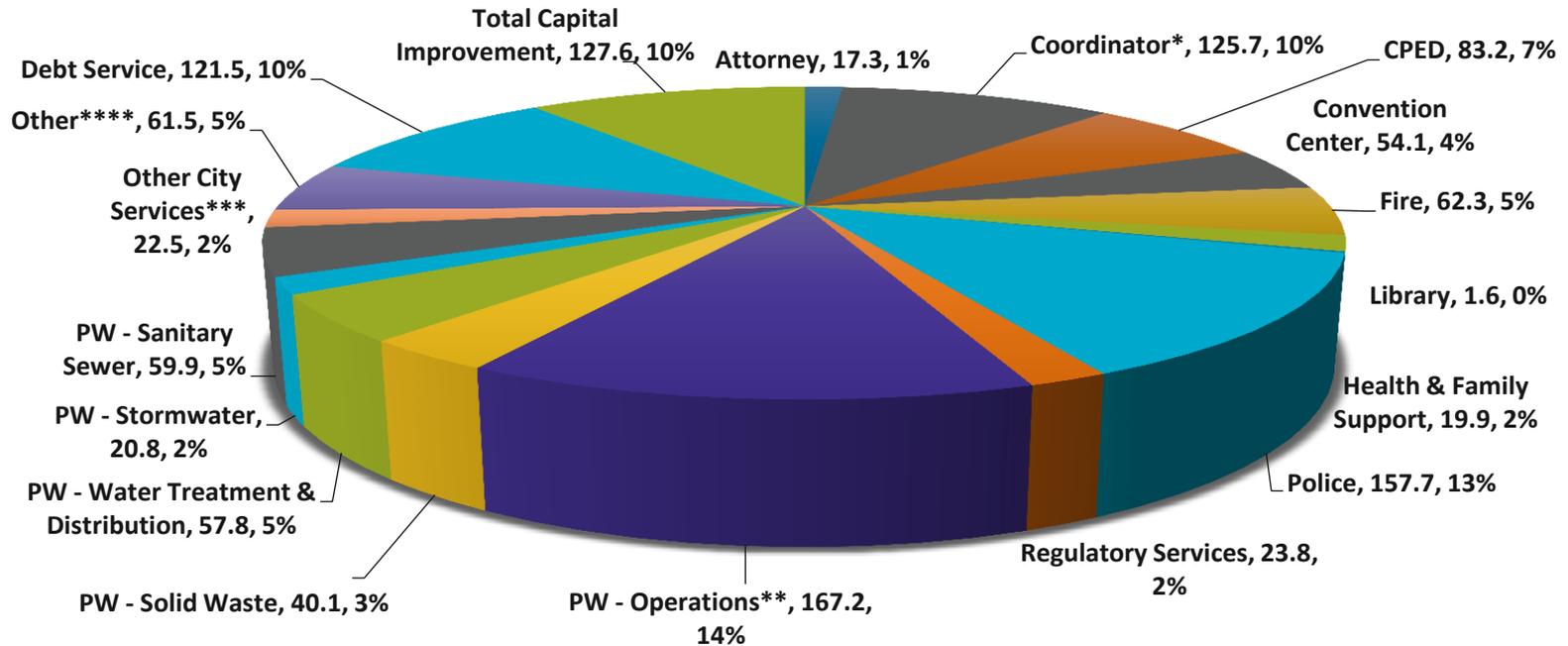
Million \$



\*The Capital category includes capital improvements in the City's Capital Program as well as capital expenditures associated with the CARs program

# Mayor's Recommended 2016 Budget Expenditures by Major Functions \$1.224 Billion

Millions \$



PW=29%

\* Includes Human Resources, Finance & Property Services, 311, Intergovernmental Relations, Communications, Neighborhood and Community Relations, IT, 911 and Emergency Management. Convention Center is broken out for illustrative purposes.

\*\* Includes PW Administration, Fleet, Traffic & Parking, Maintenance & Repair, Planning & Engineering, Planning & Programming

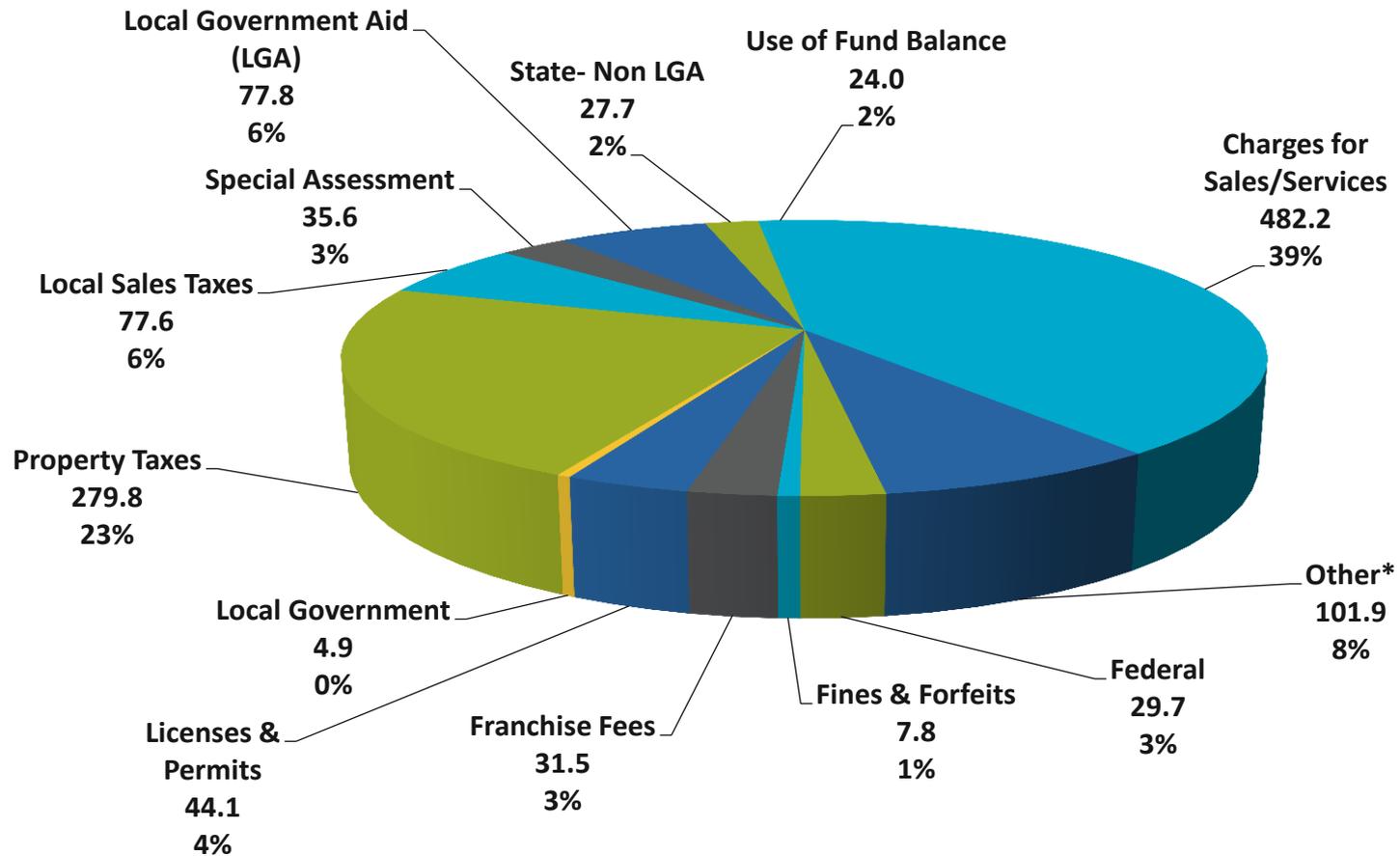
\*\*\* Includes Assessor, Internal Audit, City Clerk, City Council, Civil Rights and Mayor.

\*\*\*\* Includes Non-departmental, Health and Welfare, Worker's Compensation, Liability, Contingency and Pensions.

# Revenues by Major Sources

## \$1.224 Billion

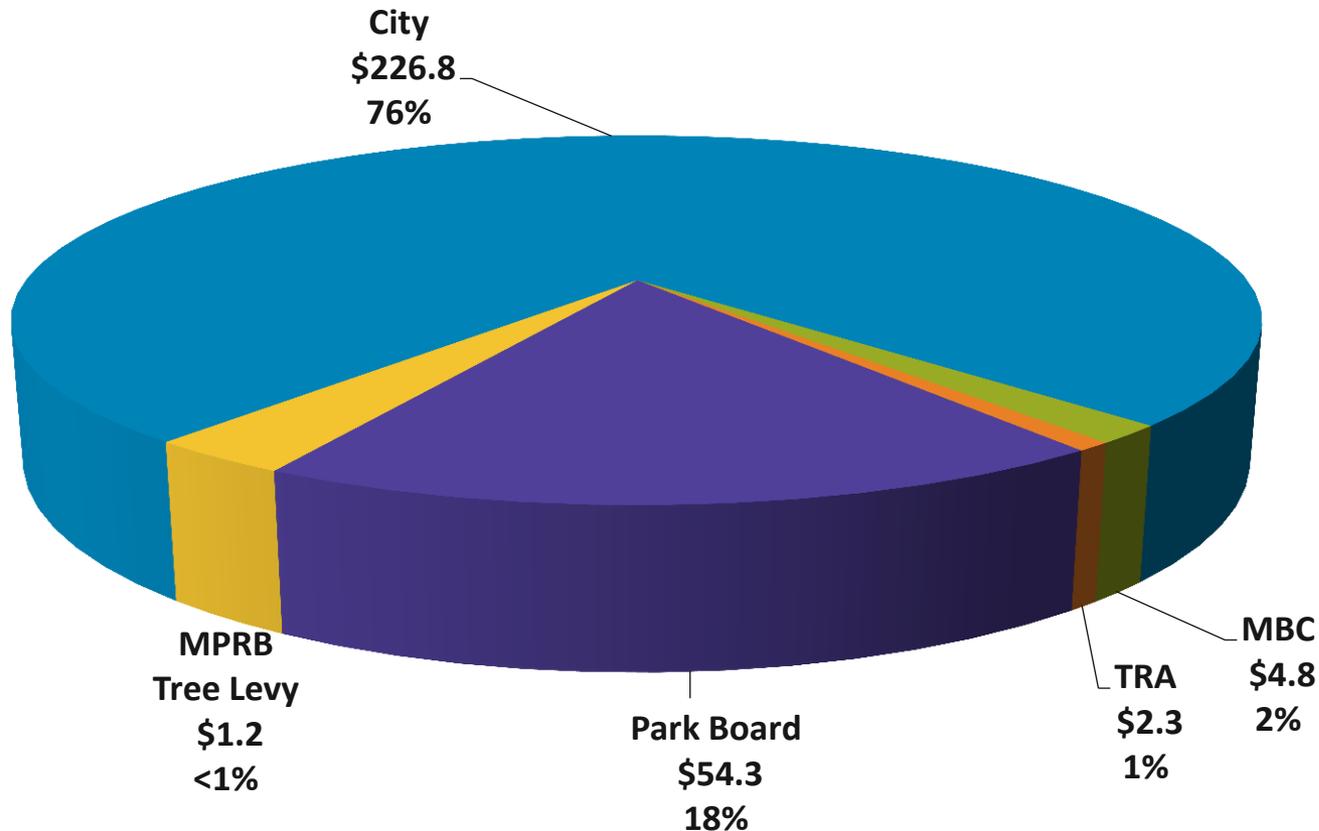
Millions \$



\*Includes: contributions, gains, interest, bond proceeds, other misc.

# Mayor's Recommended 2016 Budget Property Tax Levies by Entity

**Total Levy**  
**\$297,450,000**



\*City includes BET, pension, library operating transfer, capital and debt levies

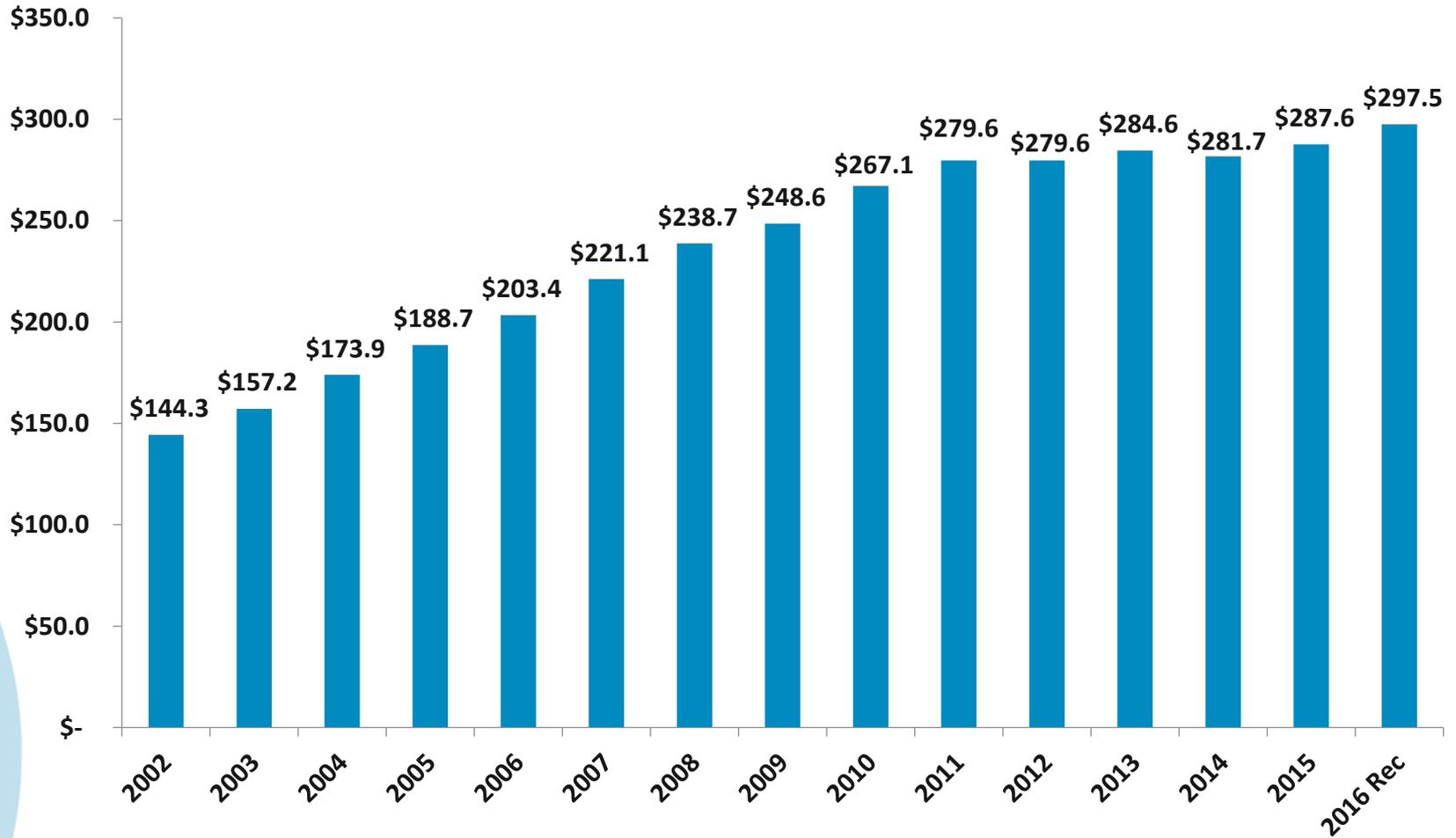
## Mayor's Recommended 2016 Budget

# 2015 Property Tax Levies (millions \$)

	Fund	Mayor Rec Levy		% Change	\$ Change
		2015	2016	From 2015	From 2015
City-Certified Levies	General Fund	154,950,000	160,446,000	3.55%	5,496,000
	Minneapolis Park Board - General	50,560,000	52,583,000	4.00%	2,023,000
	Minneapolis Park Board - Tree	1,475,000	1,732,000	17.42%	257,000
	Bond Redemption	35,900,000	37,800,000	5.29%	1,900,000
	Permanent Improvement	1,000,000	1,000,000	0.00%	0
	Pensions (MERF, MPRA, MFRA)	27,310,000	27,310,000	0.00%	0
	Board of Estimate and Taxation	160,000	170,000	6.25%	10,000
Other Levies	Municipal Building Commission	4,675,000	4,810,000	2.89%	135,000
	Teachers' Retirement	2,300,000	2,300,000	0.00%	0
	Library Referendum Debt Service	9,300,000	9,300,000	0.00%	0
	<b>Total</b>	<b>287,630,000</b>	<b>297,451,000</b>	<b>3.41%</b>	<b>9,821,000</b>

## Mayor's Recommended 2016 Budget

# Minneapolis Property Tax Overview



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2016 Recommended Budget

# Property Taxes

Includes Taxpayer Impacts

# Who Levies Property Taxes?

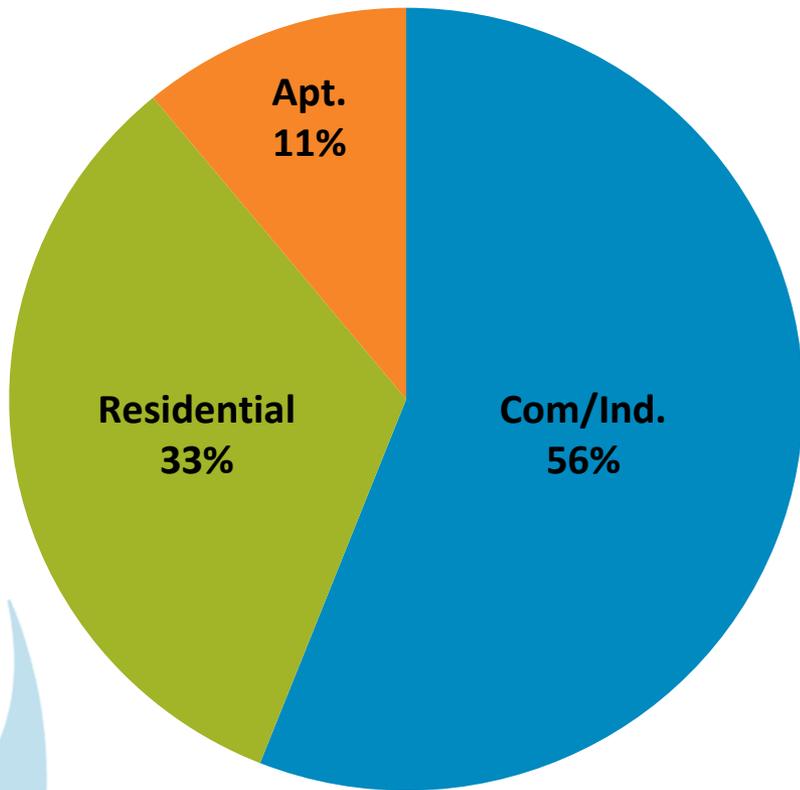
- Political Subdivisions of the State of MN
  - Cities
  - Townships
  - Counties
  - Schools
  - Special Districts (WMO, Met Council, RRA, HRA)

# Who Pays Property Taxes?

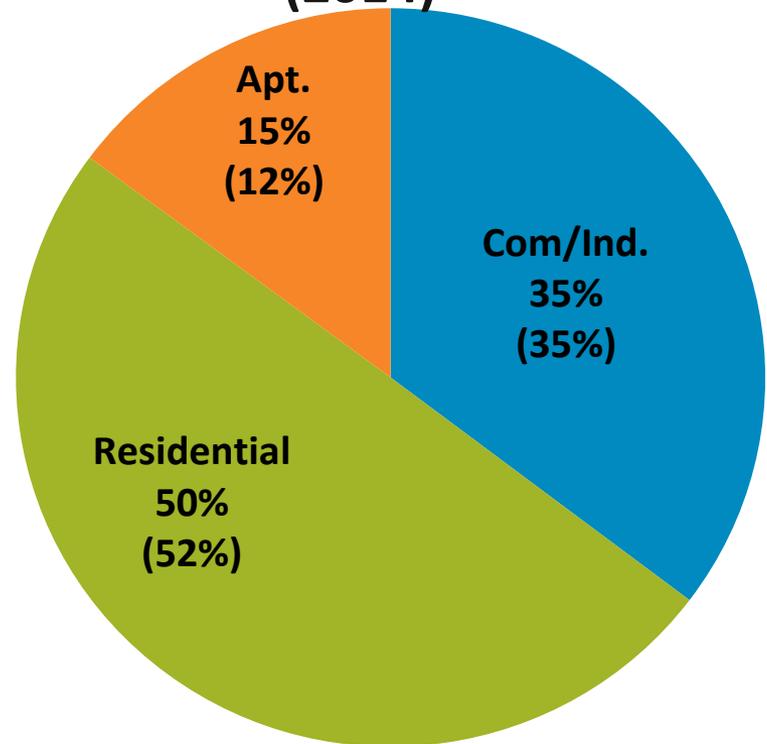
- Property Owners for Various Property Classes
  - Commercial
  - Industrial
  - Residential
  - Apartments
  - Recreational/Cabin
- Exclusions:
  - Other Government
  - Non-profit
  - Payment in lieu of taxes (PILOT)

# Mayor's Recommended 2016 Budget Property Tax Shift

**1996**



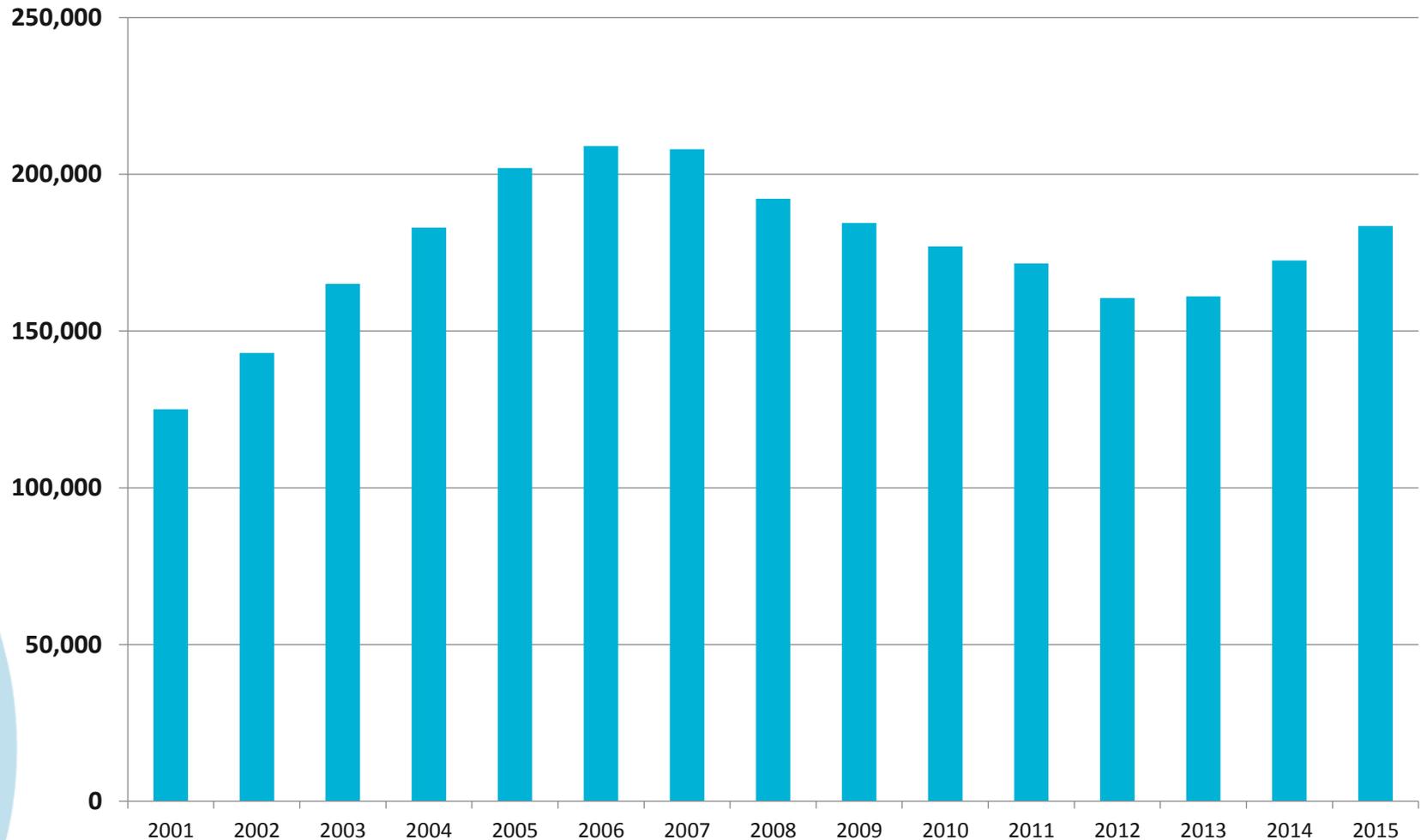
**2015  
(2014)**



## MAYOR'S RECOMMENDED 2016 BUDGET

# RESIDENTIAL MEDIAN VALUE TREND

(2001-2015)



# What does property tax increase “feel like” to taxpayer?

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- Factors affecting actual property tax:
  - market value (individual and aggregate – EMV  >9%)
  - market value exclusion program
  - citywide tax base (TCAP  12%)
  - tax increment districts
  - levy
- Mayor’s proposal included a 3.4% levy increase
- Tax rate projected to decrease by more than 7.5%
- Overall, residential properties market values increased 7% over pay 2015
- Homestead residential properties (< \$413K ) with market increases less than 5% should see a decrease in City portion of their property taxes

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# 2016 Recommended Budget Next Steps

## Mayor's Recommended 2016 Budget

# Next Steps

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- Board of Estimate and Taxation – Approve Maximum Levy
  - September 21<sup>st</sup> , 4:05 PM
- Department Presentations to Budget Committee
  - Beginning Friday, September 18<sup>th</sup>, 9:30 AM
- Certify Proposed (maximum levy) by September 30<sup>th</sup>
- Truth-in-Taxation notices sent out second week in November
- Public Comments received November 18<sup>th</sup>, 6:05 PM
- Budget Markup – December 4 & 7, 1:00 PM
- Board of Estimate and Taxation – December 9<sup>th</sup>, 6:05 PM
- Budget Adoption – December 9<sup>th</sup>, Following BET

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2016 Recommended Budget  
**Thank you**